



The Honorable Sam Johnson
1211 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Bill Pascrell
2370 Russell House Office Building
United States House of Representatives
Washington, DC 20515

April 8, 2013

Dear Representatives Johnson and Pascrell:

As Executive Director of Preservation Texas, I want to share with you my concern for the future of the federal Historic Tax Credit (HTC) as discussions of tax reform progress. Preservation Texas, founded in 1985, is the only statewide organization dedicated to being the advocate for the historic resources of Texas. We advocate on behalf of our membership and local affiliates for actions by public agencies, private organizations and citizens to protect, restore, and insure economic benefit from historic building, places, artifacts and archives.

I know that all tax preferences will be on the table. In my view, the HTC continues to transform and revitalize Texas cities and towns. Weakening or eliminating the credit would endanger the economic viability of nearly all commercial historic rehabilitation projects in Texas and across the nation. The HTC is essential to the financing these challenging but worthwhile buildings that would otherwise sit idle and lower property values around them. Since the 1981 Congressional enactment of the historic tax credit, the HTC has leveraged \$106 billion in private investment in historic rehabilitation, created 2.3 million jobs and rehabilitated 38,700 historic buildings. In Texas, the Historic Tax Credit has generated 111 projects, resulting in over \$858 million in development expenditures since 2001. In the Dallas/Ft. Worth area over the last 11 years, it has helped finance 39 projects resulting in over \$381 million in development expenditures over the same period.

The Stoneleigh Hotel in Uptown Dallas is one example of a very successful HTC project. The 11-story hotel was closed for two years during its \$36 million renovation. It has recently been acquired by Starwood Hotels and continues to be an economic driver in the Uptown area of Dallas. Another well-known Historic Tax Credit project is the Ashton Hotel in downtown Fort Worth. During an extensive five-year process, the exteriors of the 1915 Fort Worth Club Building and the 1890 Winfree Building were restored to their original architectural styles, while the interiors were transformed into an elegant setting for a hotel that opened in 2002. The benefit from the use of the tax credit is still felt as these buildings continue to provide places for employment and enjoyment.

Over the credit's 32 years, the federal government has allocated just over \$20 billion in tax credits, but collected more than \$25 billion in federal taxes resulting from rehabilitation

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projects—more than paying for the program. From new retail centers to affordable housing, to the development of charter schools, the historic tax credit turns dilapidated and vacant warehouse, apartments, hotels, and mills into useful commercial and community assets.

Efforts are now underway in Congress to both protect the historic tax credit and improve it. The Creating American Prosperity through Preservation (CAPP) Act (H.R. 2479), introduced by Representatives Schock and Blumenauer in the 112th Congress, would provide for a more effective HTC by targeting investment to smaller Main Street-scale properties. This bill would strengthen the state historic tax credits of 29 other states, and it would also encourage every historic rehabilitation project to become a model of energy efficiency by giving a 2% of increase in credits for 30% in energy reductions. The CAPP Act will be reintroduced soon in the 113th Congress.

I hope the working groups will include these suggestions in potential ways to modernize and improve the already valuable Historic Tax Credit.

Sincerely,



Anna Glover Hudson
Executive Director, Preservation Texas

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